



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

August 20, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

NEW MARTIN LUTHER KING, JR. (MLK) HOSPITAL - FUNDING FOR THE MLK PROJECT MANAGEMENT TEAM

On April 13, 2010, your Board delegated authority to this Office to execute the agreement with L.A. Care accepting a grant in the amount of \$500,000, and to execute other agreements with philanthropic organizations to accept grants and/or donation funds to support the Martin Luther King, Jr. (MLK) Hospital Project Team. At that time, we indicated that the California Endowment may provide a similar grant. Your Board instructed this office to provide notification prior to acceptance of the grant and/or donation.

This memorandum is advisement that the California Endowment has notified us that the County has been awarded \$500,000 for the purpose of funding the MLK Management Team to oversee implementation of the new MLK Hospital.

This office will work with County Counsel staff and the California Endowment in finalizing the Agreement.

Since your Board has now appointed the seven members of the MLK Hospital Board of Directors, we will work with the MLK Board members going forward regarding accessing these funds for the work of the MLK Project Management Team.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

Each Supervisor
August 20, 2010
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Please contact me if you have any questions, or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:BC:SAS
MLM:bjs

Attachment

c: Executive Office, Board of Supervisors
 County Counsel
 Auditor-Controller
 Health Services

082010_HMHS_MBS_MLK Project Team Funding

THE CALIFORNIA ENDOWMENT
RESTRICTED PROJECT GRANT AGREEMENT

County of Los Angeles - Chief Executive Office

EIN 95-9000927

Grant Number 20101088

This Restricted Project Grant Agreement ("Agreement"), upon execution on behalf of Grantee in the spaces provided for signature, will evidence Grantee's agreement with and commitment to The California Endowment ("The Endowment") as follows:

I. GRANTEE'S STATUS

This grant is specifically conditioned upon Grantee's status as an eligible grantee of The Endowment in accordance with this section. Grantee warrants and represents that it is one of the following: (a) a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a private foundation as defined in Section 509(a) of the Code, (b) a governmental unit referred to in Section 170(c)(1) of the Code, or (c) a college or university that is an agency or instrumentality of a government or political subdivision of a government, or owned or operated by the same, within the meaning of Section 511(a)(2)(B) of the Code. If grantee is a Section 501(c)(3) organization described in (a), Grantee has provided The Endowment with a copy of IRS determination letter(s) evidencing its status as an eligible grantee and Grantee warrants and represents that such determination letter(s) are currently in full force and effect. Regardless of Grantee's current tax status, Grantee will notify The Endowment immediately of any actual or proposed change in tax status.

II. PURPOSE OF GRANT

Project Management Team: To establish a project management team to oversee all implementation aspects of the new Martin Luther King Jr. (MLK) Hospital, including the formation of a non-profit entity, assisting staff with facility and program development to improve access and quality of health care for the South Los Angeles community.

This grant is made only for the specific charitable purposes described in this Agreement. The grant funds, which includes any interest earned on the funds, may not be used for any other purpose without prior written approval from The Endowment.

III. EXPECTED OUTCOMES OF GRANT

1. Structural elements are in place to reopen MLK Hospital as evidenced by project management team in place, Non-Profit Corporation is Established Under State Law, Non-Profit's Board of Directors is in place, and, Mission Statement and Bylaws are prepared for approval by the Board of Directors.
2. Established facility and program development in place at MLK hospital as evidenced by a non-profit board that is convened; proposed service agreements between the county

and non-profit board executed; and, service integration plan developed and executed for South Los Angeles.

IV. AMOUNT OF GRANT

\$500,000, payable as follows.

\$500,000 upon The Endowment's receipt of this executed Agreement.

First payment is contingent upon receipt of this original signed Agreement. Subsequent payments are contingent upon compliance with this Agreement, including timely receipt of progress reports, as outlined in the Terms and Conditions of Grant Section.

V. PERIOD OF GRANT

Grant funds are to be applied to expenses incurred for the period from August 15, 2010 to August 14, 2011, unless otherwise agreed upon in writing by The Endowment.

VI. TERMS AND CONDITIONS OF GRANT

Grantee agrees that the grant is subject to the following conditions:

A. Expenditure of Grant Funds.

1. Use of Funds. Grantee must spend the grant funds only for the purposes described above.
2. Prohibited Uses. Grantee shall not use any of the funds from this grant in a manner inconsistent with Section 501(c)(3) of the Code, including:
 - a. carrying on propaganda, or otherwise attempt to, influence legislation,
 - b. influencing the outcome of any specific public election,
 - c. carrying on, directly or indirectly, any voter registration drive,
 - d. inducing or encouraging violations of law or public policy, or
 - e. causing any private inurement or improper private benefit to occur.
3. Payment of Funds to Related Parties of The Endowment. No part of these grant funds shall be paid to any director, officer, or employee (or their family members) of The Endowment for any purpose.

B. Return of Funds. Grantee shall return to The Endowment any unexpended grant funds under the following conditions:

1. If The Endowment, in its reasonable discretion, determines that the Grantee has not performed in accordance with this Agreement; or
2. Any portion of the funding is not used for grant purposes.

C. Records, Audits, Site Visits. Funds provided by The Endowment, together with any interest thereon, shall be accounted for separately in the Grantee's books and records. A systematic accounting record shall be kept by the Grantee of the

receipt and disbursement of such funds. The Grantee shall retain original substantiating documents related to restricted grant expenditures and make these records available for The Endowment's review upon request. Grantee shall be responsible for maintaining adequate financial records of this grant program. The Endowment, or a designated representative, reserves the right, upon written notice, to audit Grantee's books and records relating to the expenditure of any funds provided by The Endowment as a restricted grant.

- D. Reports. Grantee shall make a written report to The Endowment as of the end of Grantee's annual accounting period within which the grant or any portion thereof is received and all such subsequent periods until the grant funds are expended in full or the grant is otherwise terminated. Such written report shall describe in detail the use of the granted funds, compliance with the terms of the grant, and the progress made by the Grantee toward achieving the purposes for which the grant was made. Such reports shall be furnished to The Endowment within thirty (30) days after the close of the annual accounting period of the Grantee for which such reports are made. Within thirty (30) days after the use of the grant funds is completed, the Grantee must make a final written report with respect to all expenditures made from the grant funds (including salaries, travel, and supplies), and including the progress made toward the goals of the grant. All such reports must be signed by an officer of the Grantee.

The schedule of due dates for such written reports is:

1st interim report: March 31, 2011;

Final Report: September 30, 2011.

- E. Budgets. Expenditures of grant funds must be made substantially in accordance with the grant budget, which is attached as Exhibit A. Any material changes from the budget must be approved in advance by The Endowment.
- F. Licensing and Credentials. The Grantee hereby agrees to maintain, in full force and effect, all required governmental or professional licenses and credentials for itself, its facilities, and for its employees and all other persons engaged in work in conjunction with this grant.
- G. Management and Organizational Changes. The Grantee agrees to provide immediate written notice to The Endowment if significant changes or events occur during the term of this grant which could potentially impact the progress or outcome of the grant, including, without limitation, changes in the Grantee's management personnel or losses of funding.
- H. Public Reporting. The Grantee agrees to disseminate to the public, by using established channels of communication, pertinent information relating to the results, findings, or methods developed through this grant.
- I. Publications; License. Any information contained in publications, studies, or research funded by this grant shall be made available to the public following such reasonable requirements as The Endowment may establish from time to time. Grantee grants to The Endowment an irrevocable, nonexclusive license to publish any publications, studies, or research funded by this grant at its sole discretion.
- J. Knowing Assumption of Obligations. Grantee acknowledges that it understands its obligations imposed by this Agreement, including but not limited to those

obligations imposed by reference to the Code. Grantee agrees that if Grantee has any doubts about its obligations under this Agreement, including those incorporated by reference to the Code, Grantee will promptly contact The Endowment or legal counsel.

- K. Terrorist Activity. The Grantee agrees that it will use the grant funds in compliance with all applicable anti-terrorists financing and asset control laws, regulations, rules, and executive orders, including, but not limited to the USA Patriot Act of 2001 and Executive Order 13224.
- L. Identification of The Endowment. Grantee shall ensure that The Endowment is clearly identified as a funder or supporter of Grantee in all published material relating to the subject matter of the grant. Grantee shall list The Endowment as a funder or supporter in its annual report (if any). All proposed Grantee external communications regarding The Endowment shall be submitted first to The Endowment for its review and approval.
- M. The Endowment Letterhead and Logo. Use of The Endowment letterhead or logo is prohibited without prior written consent from the Communications Department of The Endowment.
- N. Subgrantees. With regard to the selection of any subgrantees to carry out the purposes of this grant, Grantee retains full discretion and control over the selection process, acting completely independently of The Endowment. There is no agreement, written or oral, by which The Endowment may cause Grantee to choose any particular subgrantee.
- O. No Agency. Grantee is solely responsible for all activities supported by the grant funds, the content of any product created with the grant funds, and the manner in which any such product may be disseminated. This Agreement shall not create any agency relationship, partnership, or joint venture between the parties, and Grantee shall make no such representation to anyone.
- P. No Waivers. The failure of The Endowment to exercise any of its rights under this Agreement shall not be deemed to be a waiver of such rights.
- Q. No Further Obligations by The Endowment. This grant is made with the understanding that The Endowment has no obligation to provide other or additional support or grants to the Grantee.
- R. Remedies. If The Endowment determines, in its reasonable discretion, that Grantee has substantially violated or failed to carry out any provision of this Agreement, including but not limited to failure to submit reports when due, The Endowment may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee under this or any other grant agreement, and The Endowment may demand the return of all or part of the grant funds not properly spent or committed to third parties, which Grantee shall immediately repay to The Endowment. The Endowment may also avail itself of any other remedies available by law.
- S. Indemnification. Grantee irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless The Endowment, its officers, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys'

fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, its employees, or agents, in applying for or accepting the grant, in expending or applying the grant funds, or in carrying out any project or program to be supported by the grant, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any act or omission of The Endowment, its officers, directors, employees, or agents.

- T. Captions. All captions and headings in this Agreement are for the purposes of reference and convenience only. They shall not limit or expand the provisions of this Agreement.
- U. Entire Agreement; Amendments and Modifications. This Agreement constitutes the entire agreement of the parties with respect to its subject matter supersedes any and all prior written or oral agreements or understandings with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both parties.
- V. Governing Law. This Agreement shall be governed by the laws of the State of California.

VII. ACCEPTANCE OF AGREEMENT

The Endowment reserves the right to withhold or suspend payments of grant funds if the Grantee fails to comply strictly with any of the terms and conditions of this Agreement.

If this Agreement correctly sets forth your understanding and acceptance of the arrangements made regarding this grant, please countersign and return to The Endowment.

Accepted on behalf of County of Los Angeles - Chief Executive Office by:


Authorized Signature

Date

Printed Name

Title

Agreed to and Acknowledged on behalf of The Endowment:



Authorized Signature

8/12/10

Date

Dan DeLeon

Printed Name

Vice President of Finance & CFO

Title

EXHIBIT A

20101088, County of Los Angeles-Chief Executive Office

	Total Project Budget		Approved Budget	
	Year 1	Total	Year 1	Total
Personnel				
Project Staff 1.0 FTE	100,000	100,000	50,000	50,000
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
Benefits @ 20%	20,000	20,000	10,000	10,000
	0	0		0
Total Personnel	120,000	120,000	60,000	60,000
Non-Personnel				
Operating Costs				
Rent (includes utilities, maintenance of space)	60,000	60,000	30,000	30,000
Office Supplies/Furniture/Moving(one time costs for setting up offices, clearing etc	62,000	62,000	31,000	31,000
Communications-interactive web site/email	75,000	75,000	37,500	37,500
Travel (trips to Sacramento, within Los Angeles, and unanticipated	20,000	20,000	10,000	10,000
Conference/Meetings	8,000	8,000	4,000	4,000
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
	0	0		0
Total Non-Personnel	225,000	225,000	112,500	112,500
Direct Costs	345,000	345,000	172,500	172,500
Indirect Costs @ 15 %	10,000	10,000	5,000	5,000
Total Direct and Indirect	355,000	355,000	177,500	177,500
Other Costs				
Subcontracts				
Project Management Team Consultant (3 person staff)	415,000	415,000	207,500	207,500
Board of Directors Candidate Selection Consultant	80,000	80,000	40,000	40,000
Legal Start-up Consultant	100,000	100,000	50,000	50,000
	0	0		0
	0	0		0
	0	0		0
	0	0		0
Capital & Equipment				
Equipment (purchases and/or leases of computers, Copier, printers, phones, and video equipment	50,000	50,000	25,000	25,000
Total Other Costs	645,000	645,000	322,500	322,500
Grand Total	1,000,000	1,000,000	500,000	500,000